

SECRET

CHAL-0052
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8 May 1958

MEMORANDUM FOR THE RECORD

SUBJECT: Policy Determinations on Project Contracts

1. In order to avoid difficulties in the future which have been encountered during the life of the Project, the following policy decisions are presented for acceptance for use in future work covered by price redetermination contracts.

A. Bills of Material - Unless a future production requirement exists Bills of Material will not be required on any contracts.

B. Deliveries - On future work, a copy of appropriate documents evidencing receipt by the Depot will be furnished both to the Project Comptroller and the Project Contracting Officer. The Comptroller needs the documents to support payments, the Contracting Officer to control and determine completed deliveries.

C. Property - There are several theories concerning ownership of residual inventory on a price redetermination contract. Air Force policy is that the residual belongs to the contractor. This is true, provided the contractor's property system is approved. Accordingly, if the contractor's system is approved it need only account for that material which is Government furnished. The Director of Material will furnish a list of the latter at the time of delivery to the Contracting Officer so that the contract may be appropriately amended.

SIGNED

Project Contracting Officer

CONCURRENCES:

APPROVED:

SIGNED

RICHARD M. BIGNELL, JR.
Project Director

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CHALICE AUTHORITIES (Prop.)

Orig - Proj. Dir/Mat

2 - Proj. Dir/Mat

3 - Proj. Comp.

4 -

5 -

Cy 7 - entire

Cy 6 - Proj. Closure

in file

Matr:

Orig

2

3

4

5

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